

# The Gazette of India

EXTRAORDINARY

PART II—Section 2

PUBLISHED BY AUTHORITY

No. 16]

NEW DELHI, MONDAY, APRIL 23, 1956

RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 23rd April, 1956;—

**Bill No. VII of 1956**

*A Bill further to amend the Industrial Disputes Act, 1947.*

BE it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

1. This Act may be called the Industrial Disputes (Amend- Short title ment) Act, 1956.

14 of 1947. 2. Section 25C of the Industrial Disputes Act, 1947 (hereinafter Amendment of section 25C. referred to as the principal Act), shall be re-numbered as sub-section (1) thereof, and—

(a) in sub-section (1) as so re-numbered, for the provisos, the following proviso shall be substituted, namely:—

“Provided that the compensation payable to a workman during any period of twelve months shall not be for more than forty-five days.”;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) Notwithstanding anything contained in the proviso to sub-section (1), if during any period of twelve months, a workman is laid off for more than forty-five days, whether continuously or intermittently, and the lay off after the

expiry of the first forty-five days comprises continuous periods of one week or more, the workman shall, unless there is any agreement to the contrary between him and the employer, be paid for all the days comprised in every such subsequent period of lay off for one week or more compensation at the rate specified in sub-section (1):

Provided that it shall be lawful for the employer in any case falling within this sub-section to retrench the workman in accordance with the provisions contained in section 25F at any time after the expiry of the first forty-five days of lay off and when he does so, any compensation paid to the workman for having been laid off during the preceding twelve months may be set off against the compensation payable for retrenchment.”.

Insertion of  
new section  
25FF.

3. After section 25F of the principal Act, the following section shall be inserted, namely:—

Special pro-  
vision relat-  
ing to work-  
men employ-  
ed in under-  
takings  
which are  
transferred

“25FF. Notwithstanding anything contained in section 25F, no workman shall be entitled to compensation under that section by reason merely of the fact that there has been a change of employers in any case where the ownership or management of the undertaking in which he is employed is transferred, whether by agreement or by operation of law, from one employer to another:

Provided that—

(a) the service of the workman has not been interrupted by reason of the transfer;

(b) the terms and conditions of service applicable to the workman after such transfer are not in any way less favourable to the workman than those applicable to him immediately before the transfer; and

(c) the employer to whom the ownership or management of the undertaking is so transferred is, under the terms of the transfer or otherwise, legally liable to pay to the workman, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer.”.

---

## STATEMENT OF OBJECTS AND REASONS

Doubt has been raised whether retrenchment compensation under the Industrial Disputes Act, 1947, becomes payable by reason merely of the fact that there has been a change of employers, even if the service of the workman is continued without interruption and the terms and conditions of his service remain unaltered. This has created difficulty in the transfer, reconstitution and amalgamation of companies and it is proposed to make the intention clear by amending section 25F of the Act.

2. Questions have also been raised whether a workman who is laid-off for more than forty-five days continuously is entitled to lay-off compensation for any period beyond the first forty-five days. Opportunity has been taken to remove the ambiguity by specifying the circumstances under which such compensation beyond the first forty-five days would be admissible to a workman.

KHANDUBHAI K. DESAI

NEW DELHI;

*The 23rd March, 1956.*

---

S. N. MUKERJEE,

Secretary.

